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# Future of accounting education

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American Accounting Association and the  
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**Edited by William G. Shenkir**

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# The Future of Accounting Education

A Summary Report on the Seminars Sponsored by the American Accounting Association and the American Institute of CPAs

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## A Perspective

Accounting is a searching profession. Consider the intense search conducted in recent years on two fronts: Accountants have sought for accounting principles (standards) and the institutional arrangement best suited to establish those standards, and they have sought to develop the body of knowledge to be acquired through formal education by those preparing for professional accounting careers. At the core of the latter endeavor have been such problems as determining courses and their content as well as the institutional and organizational settings for imparting the required knowledge (e.g., four years vs. five years, and professional accounting programs vs. professional schools of accounting). Participation in both searches has not been the exclusive domain of either the practicing or academic arms of the accounting profession. Rather, the two groups have worked together for the "common professional interest."

The two searches are characterized by distinguished published studies and free discussion of the relevant issues. The search for accounting standards and the institutional arrangement for their pronouncement is most recently represented by the Report of the Study on Establishment of Accounting Principles (Wheat Committee report),<sup>1</sup> which led to the creation of the Financial Accounting Foundation and the Financial Accounting Standards Board. As part of its deliberations, the study group held public hearings.

Turning to the other broad search, that of the search for the common body of knowledge and the accompanying educational structure, it was highlighted most recently by the publication of *Horizons for a Profession*<sup>2</sup> and the report of the AICPA Committee on Education and Experience Requirements (CEER), under the chairmanship of Elmer Beamer.<sup>3</sup> While public hearings as such were not held in the deliberations leading

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<sup>1</sup>Report of the Study on Establishment of Accounting Principles, *Establishing Financial Accounting Standards* (New York: AICPA, 1972).

<sup>2</sup>Robert H. Roy and James H. MacNeill, *Horizons for a Profession* (New York: AICPA, 1967).

<sup>3</sup>Report of the Committee on Education and Experience Requirements for CPAs (New York: AICPA, 1969).

to these reports, subsequent to the publication of *Horizons*, seminars (*Horizons* seminars) were held on 55 college campuses for the purpose of discussing the study's recommendations and ways of implementing them.<sup>4</sup> In similar fashion, the recommendations contained in the CEER report were discussed in 53 symposiums (*CEER* seminars).<sup>5</sup> These two sets of seminars proved to be so well received that the same format was chosen again for the seminars reported herein, which were jointly sponsored by the American Accounting Association and the American Institute of CPAs.

## AAA–AICPA Seminars

For the third time in about six years, accounting educators, together with those accounting practitioners who attended some seminars, gathered to discuss some of the pressing issues related to the education of professional accountants. The purpose of this report is to present a summary of the salient views as contained in the individual seminar reports.

This summary is based on this writer's review of the summaries of 48 seminars conducted during the period of November 1972 through May 1973 and attended by educators from universities, four-year colleges, and community colleges. As reflected in the individual summaries, the seminars varied in program organization. Some seminars were conducted entirely through discussion groups, while others had one or more formal presentations followed by discussion groups. As would probably be expected, the emphasis at the seminars also varied somewhat even though the planning material sent by the sponsors to each host school contained a list of possible discussion questions and three brief study papers entitled "Suggested Material for Moderators," "The Future of Accounting Education," and "Considerations Regarding Professional Schools of Accounting." It was apparent from some seminar summaries that these papers had been utilized by those making formal presentations preceding the discussion groups. It should also be noted that some seminars covered all or most of the possible discussion questions while a few restricted their attention to only one or two issues (e.g., professional schools of accounting).

In preparing this summary report, the individual seminar reports were restructured and analyzed according to the following broad topics to provide for continuity of thought and opinion:

1. Status of accounting.
2. Role of accounting.

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<sup>4</sup>Doyle Z. Williams, "Reactions to 'Horizons for a Profession'," *The Journal of Accountancy*, June 1969, pp. 81-84.

<sup>5</sup>W. Thomas Porter, Jr., *Higher Education and the Accounting Profession — A Summary Report on the Haskins and Sells 75th Anniversary Symposiums* (New York: Haskins & Sells, 1971).

3. *Horizons for a Profession* and CEER report.
4. Professional schools of accounting.

The following development of each topic has attempted to reflect, where appropriate, areas of agreement and disagreement that surfaced among the seminar participants.

## Status of Accounting

Twenty-nine of the seminar summaries specifically indicated that there was some discussion on the general subject of the present status of accounting within the business school curriculum. This discussion was probably influenced by two items sent to the host schools for use in planning the seminar. To properly understand the comments from the seminar summaries given later, the relevant sections of these two items are highlighted.

First, the paper entitled "The Future of Accounting Education," sent to the host schools for use by the seminar's discussion leaders, contained the following statement:

Accounting education is on the threshold of change. The emerging trends are not completely clear, but there appear to be strong forces shaping the future thrust of education for the accounting profession.

Continuing, the paper described one school of thought on the direction of this change:

Accounting education is losing its place of eminence within schools of business administration because professional accounting education is incompatible with a business school curriculum that is moving more and more toward an administrative science type of curriculum which does not recognize the particular educational needs of specific groups within the business fraternity. There is a feeling among many accounting educators that accounting is thus being submerged within the business school curriculum to such a degree that eventually only accounting supportive of management will be taught in schools of business in the future. . . .

A second background item for discussion of the present status of accounting within schools of business was possible discussion questions pertaining to this topic:

1. To what extent is accounting being submerged in the business school curriculum? Is it being submerged to the extent that professional accounting education is gradually being eliminated from formal academic programs?
2. If accounting is being submerged within the business school curriculum, why is it happening? Can anything be done to change the trend? Is this a problem that everyone thinks is happening in other schools, but not in their own school?

While the individual summary reports indicate that the foregoing questions were not specifically answered nor were any votes taken on them, as noted previously, comments were directed to the general thrust of the questions in 29 of the seminars. Twenty-two of those summaries indicated that participants thought that accounting was not being submerged in the business school curriculum. Indeed, there was some belief that accounting was becoming stronger. At the same time, there was a feeling expressed in several of the seminar reports that the other functional areas in the business school such as finance, marketing, and management were advancing and becoming stronger more rapidly than accounting. In the process, these other disciplines were attracting some of the better students that might have been attracted at one time to an accounting specialization. This supposition was expressed in one report by the statement that, if accounting is being submerged, "perhaps it is because accounting is losing its uniqueness." This report continued:

Fifteen or 20 years ago accounting was clearly the most intellectually challenging subject in the business school curriculum. The logical analysis that was required to fit complex but realistic business situations within an orderly set of rules made accounting appealing to the best students.

Now the situation seems to have changed. Quantitative approaches to finance and marketing, the operations research concepts of production and management, have made these subjects more appealing to the analytical minds who formerly could only turn to accounting.

From a different report, the undocumented estimate was given, merely as an example, that where at one time two-thirds of the top business school students were accounting majors, currently only one-half are accounting majors. The hedging that occurred in response to the question of the status of accounting in the business school curriculum was expressed very well in the following quotations taken from two reports: "Accounting may never again find itself on top of the heap as it has in the past"; and "While accounting is not being submerged in the business school curriculum, perhaps the water is rising."

A reason given in support of the premise that accounting was not being submerged in the business curriculum was the current student demand for accounting courses. The generally increased enrollments in accounting courses and the increase in the number of accounting majors were cited as support for a currently strong status for accounting. At the same time, it was noted that the increases were due at least in part to the increased demand by employers for accounting majors.

In addressing the present status of accounting in business schools, a few seminar reports revealed that the question was considered from two levels — from the graduate level and the undergraduate level. In such instances, several summaries noted that seminar participants thought that, in some MBA programs, accounting had been placed in a supportive role. There was also some feeling expressed that this could reach into the undergraduate program. One report observed, however, that more



graduate students in MBA programs were taking accounting courses as electives in recognition of their importance as a management decision-making tool. Another report expressed a similar thought by stating "public accounting is becoming less important in the business school curriculum whereas accounting per se is not less important."

In those instances where there was a belief that accounting was being submerged, a reason cited was the increased emphasis given in the curriculum to quantitative methods and behavioral science coupled with the trend toward an integration of knowledge. The general expansion of the breadth of accounting education as recommended by the CEER report was noted as a contributor to this change in emphasis. Accounting courses have been condensed, and there are fewer credit hours allocated to accounting in the required curriculum. Another parallel thought, which was expressed in several seminar reports, stated that if submergence was measured by the number of courses offered currently by accounting departments compared to the number previously offered, then perhaps accounting was being submerged. The observation was made that, where students might once have taken the great majority of their course work in one department, such an approach to a college major had been replaced by a broader, interdisciplinary one.

In addition to the decrease in the number of accounting courses, a few reports called attention to the fact that the word "accounting" is disappearing in course descriptions even though the courses may involve considerable accounting. Stated another way, accounting courses are being offered under different labels, or other courses are now using material that had once been considered accounting in nature. Based on these facts, one might conclude accounting is being submerged. On the other hand, this writer's observation is that such an occurrence merely indicates a repackaging of contemporary knowledge, not necessarily a submergence of accounting. Indeed, an appropriate admonition to recall at this point is the following:

Walls are being crumbled . . . the walls between age groups — all have access to the same vicarious experiences; between nations — the image is international; between in-school and out-of-school — kids learn much more out of school; between subjects in the curriculum — trespassing is the only avenue to meaning. Take any two objects with a betweenness factor and you will find that the barriers were never less relevant. The push is toward a convergent unity.<sup>6</sup>

Other reasons given for a possible submergence of accounting were these:

1. The failure of accounting faculties within some schools of business to involve themselves and their dean with the profession.

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<sup>6</sup>John Culklin, S. J., "A Handful of Postulates," in Gerald Emanuel Stearn, ed., *McLuhan: Hot & Cool* (New York: Signet Books, New American Library, 1967), p. 55.

2. The weak position of power of accounting faculties at some schools of business. Another aspect of this point is that financial resources within schools of business today are distributed to a number of departments with keen competition among departments for these resources.
3. The inadequate reward system for professors who desire to undertake professional activities; specifically, in evaluating faculty for purposes of promotion and pay increases, professional activities are sometimes not adequately considered.

To conclude the discussion on the status of accounting in the business school curriculum, a prevailing view, even though occasionally hedged, was presented very well in one report: "If accounting is being submerged, it is only at some isolated schools and we do not believe it to be a universal occurrence or even a very frequent occurrence."

## **Role of Accounting**

Two questions in the list of possible discussion questions sent to the host schools were concerned with the role of accounting: One question asked whether accounting will stay within the traditional role of serving the private, profit-oriented sector or expand to the public sector; the other was concerned with the specific extensions of measurement activity into which accounting might move.

Twenty-one seminar reports indicated that some discussion occurred on these subjects. Among those areas of extension that the discussants touched upon in a general way were forecasting, human resource accounting, price-level accounting, and corporate social audits, specifically, audits conducted by the General Accounting Office (GAO). A mixture of ideas surfaced in the ensuing discussions as indicated by the following examples from different seminar reports:

1. Accounting must expand and develop roles in the nonprivate sector; it is not currently keeping up with developments in the public sector.
2. It was questionable whether accounting will expand to help solve social problems. It was felt that all aspects of the quality of life cannot possibly be measured. Fear was expressed that it was possible that CPAs would merely become public relations men in their attempt to measure certain aspects of society.
3. Accounting is headed toward assisting in the solution of special social problems which will require special skills for the accountant.
4. Accountants need to do more to cooperate and work closely with other professional groups such as psychologists, sociologists, and economists.
5. Accounting will continue to be primarily directed to the profit-oriented sector.

6. There is going to be an increase in social programs. Accounting had better get involved. Such measurement is going to be done — and someone will be there to do the job if accountants are not.

As for the potential impact of extensions of accounting measurement upon the education of accountants, a few reports mentioned this dimension of the problem. One group felt that the social implications of accounting should be discussed in an early course, preferably at the elementary accounting level, so that the material could reach the largest number of students. Another viewpoint was that the effect of the extensions of accounting measurement on accounting education would be slow in coming.

## ***Horizons for a Profession and CEER Report***

*Horizons* was published in 1967, and the CEER report was presented to the AICPA Council and adopted by it in May 1969. Thus, the notion of a body of knowledge common for all those preparing for professional accounting careers has had almost six years to be considered by accounting educators and practitioners. Also, the specific details on implementation of the *Horizons* study in terms of courses and years of study, as spelled out by the CEER report, has had almost four years for similar consideration. One could conclude, therefore, that accounting professors and practitioners are generally familiar with both items and would, in a seminar on “the future of accounting education,” consider again both items directly or discuss issues tangential to them. Indeed, some 30 seminar reports indicated that such was the case. Of the several issues discussed, two occurred most frequently in the seminar reports: (1) specialization and the common body of knowledge and (2) alternative spans of time for implementation of the common body of knowledge.

**Specialization and the Common Body of Knowledge.** As noted earlier, on two previous occasions a series of seminars were held — *Horizons* and CEER seminars. In both instances, the summary report made mention of the views expressed on specialization in accounting education. The summary of *Horizons* seminars stated:

The educators' consensus was that all accountants should have the same basic qualifications and that specialization should be developed after the common body of knowledge has been acquired. The educators pointed approvingly to *Horizons* as not delineating specialized knowledge for the beginning CPA in the diverse fields of management services, auditing and taxation. The purpose of the CPA's educational preparation should be to permit him to enter any of the present or future specialties of the profession.<sup>7</sup>

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<sup>7</sup>Williams, *Op. Cit.*, p. 82.

Similarly, the summary report of CEER seminars noted:

The consensus of the symposium participants who attached broad significance to the discipline of accounting was that the program of study recommended in the CEER report would permit the student to enter any of the present or future specialties in "public accounting" and to prepare for a career in the "profession".<sup>8</sup>

In the several individual reports which mentioned this issue, the AAA-AICPA seminar discussants were of the same persuasion as those who attended the two previous seminars. The consensus again was that the emphasis in accounting education should be upon the common body of knowledge. Once a student has been exposed to it, the feeling was that specialization could take place either through course electives, additional study (e.g., obtaining a graduate degree), or on-the-job training. The reports emphasized that specialization at the undergraduate level was not desirable and that specialization was basically a goal for graduate education or could be developed on the job. Some participants were of the opinion that the subject matter of accounting was becoming broader and the content was changing faster, both of which inevitably lead to a greater need for specialists since it is impossible for one person to keep current in all areas.

**Alternative Spans of Time.** The CEER report recommended that the education requirement be five years since it would take at least that long to obtain the common body of knowledge delineated in *Horizons*. The CEER report did not specify whether the fifth year should be merely an additional year of undergraduate work or a year of graduate education. A variety of alternative routes or combinations have been suggested on how five years of schooling could be packaged.<sup>9</sup> The views summarized in the seminar reports indicated that while some discussion occurred on these various alternatives, the two most frequently chosen by seminar participants were (a) a four-year undergraduate program in which to obtain the common body of knowledge or (b) four years of undergraduate education followed by one year of graduate study. While a four-year program was the favorite among seminar participants, it was admitted by some that in order for a student to obtain the common body of knowledge in four years, the program would have to be carefully structured. Also, the faculty would have to employ efficient teaching techniques and continually review, evaluate, and revise the curriculum.

While some seminar participants supported the idea of four years of undergraduate education followed by one year of graduate education, there was at the same time a definite reluctance to state that five years

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<sup>8</sup>Porter, *Op. Cit.*, p. 10.

<sup>9</sup>For a listing of some alternative routes, see Porter, *Op. Cit.*, p. 13.

of education should be required to enter the accounting profession. It was noted that if a fifth year were required and if it were to be graduate work, some accounting majors would not qualify for admission to graduate school. On the other hand, the view was expressed that five years of undergraduate education would not be practical, particularly from the student's standpoint since it would be costly and the job market would probably not pay a premium for the additional year of undergraduate study. It was suggested by some participants that the fifth year was a necessity only for those who desire to specialize (e.g., in tax or systems) but not for obtaining the common body of knowledge.

Rather than focus upon alternative time spans for implementing the common body of knowledge, one report pointed out that the important factor is competence levels. Ancillary items include: By whom and how will competence levels be established? and How will a given competence level be evaluated? Another report noted that it was not the time span but the quality of the education within the program that should be the major consideration.

A recommendation of a recent Carnegie Commission report mentioned in a few reports and discussed during the seminars was the one calling for the eventual reduction in college education from four to three years. The views of the discussants toward this recommendation varied as follows:

1. It would not have much impact on the accounting program as the major part of the reduction would occur in the amount of time allocated to general education courses.
2. The common body of knowledge would probably be covered during the first three years with specialization in an additional two years.
3. It would be impossible to teach the current accounting program in three years, and therefore part of the burden would have to be absorbed by industry and the public accounting profession.

In completing the summary on the alternative time spans for accounting education, perhaps a remark, which was similar in two reports, should be quoted. After stating that no consensus was reached on how to implement the common body of knowledge, these reports stated that the discussants' views could be summarized as follows: "There is a diversity of students with a diversity of goals which requires a diversity of curricula in a diversity of schools."

## **Professional Schools of Accounting**

Among the materials sent to the host schools was a white paper entitled "Considerations Regarding Professional Schools of Accounting" which had been prepared specifically for this series of seminars. This paper drew heavily upon an earlier report by the American Account-

ing Association's Committee on Professional Programs of Accounting.<sup>10</sup> Of the 48 seminar summaries, 22 reported a discussion on professional schools of accounting. At some seminars, this was a primary topic. A compilation of the groups' views as presented in the summaries revealed that there was not much support for the establishment of separate professional schools of accounting. Some discussants were concerned that the public prestige that would accompany a separate professional school of accounting was a primary motivational factor behind this movement. At the same time, it was felt that a few professional schools might serve to set a course for the profession. The discussants seemed to indicate that experimentation with such schools should not be restricted; rather, some universities should establish professional schools so that their efficacy could be observed in practice.

A primary reason given against the establishment of professional schools of accounting was the assumed isolation that would occur in subject matter if such a school were operated apart from a school of business administration. The observation was made that accounting exists in a business environment, and, on the university campus, the school of business administration offers necessary collateral course work. Another reason often cited against the establishment of separate schools of accounting was their high cost, particularly when financial exigencies are the order of the day in most educational institutions.

One alternative, suggested several times and generally viewed as a compromise position, was the establishment of the accounting curriculum as a division within the school of business administration rather than just a department. This arrangement would give accounting more status, and it was perceived by some discussants as combining the advantages of the professional school and eliminating some of the disadvantages occurring with complete separation from the school of business administration.

## Concluding Remarks

The areas previously reported in this summary represent those that were considered by this writer to have been most conspicuous in the individual seminar reports. Other areas were, of course, mentioned in random reports; a few selected excerpts from several individual summary reports are presented in Appendix A on topics discussed previously as well as on other issues.

It is hoped that, in reading this summary report, those who were present will recall a familiar view that was expressed at the seminar they attended: All participants were appreciative to the AAA and the AICPA for providing this opportunity to discuss again issues vital to the future of accounting education.

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<sup>10</sup>Report of the Committee on Professional Programs of Accounting, *The Accounting Review*, Committee Reports, 1968, pp. 23-35.

## **APPENDIX A**

# **Selected Excerpts From Individual Seminar Summaries**

## **Accounting Professors**

All members felt that there was a great need to fulfill the demands for qualified accounting teachers. There was discussion concerning the qualifications for an accounting professor. Should the Ph.D. be required for all accounting teachers? Some members felt that many good teachers with the MBA-CPA are available and willing to teach. However, accreditation and other regulations require that schools insist upon the Ph.D. in accounting as a prerequisite for teaching accounting. The consensus was, however, that there is, and will be, a continuing shortage of Ph.D.s in accounting, especially when many large schools have curtailed the number of students entering the doctoral program or have expanded the requirements and lengthened the time necessary for degree attainment. Some smaller schools may fill the void to a certain degree. One member indicated that schools have fewer people available now to fulfill the rising demand than they had last year. Another member, in whose school a doctoral program in accounting is offered, concurred with the latter view and mentioned that their program was not growing as had been expected. Also, it was stated that the industry and the large public accounting firms have started hiring Ph.D.s in accounting for specialized activities and are in competition for such personnel with universities.

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## **Content of First-Year Accounting Course**

Should the first-year course be two semesters of Financial Accounting or one semester of Financial Accounting and one semester of Managerial Accounting?

Most participants seemed to favor the latter approach although some preferred the more traditional former approach. Those who favored the latter approach thought that many procedures, such as worksheets, should not be taught in the elementary course. Opinion was divided concerning the teaching of worksheet procedures. Most responses suggested, however, that they be taught in either Intermediate Accounting or Auditing courses.

## Continuing Education Programs

Although most seminar participants lauded the AICPA in its professional development activities, they felt that more continuing education activity should be undertaken by academicians. This is especially true in areas such as top level accounting theory, where expertise is readily available in the university community. While professional organizations such as the AICPA or the AMA have the “know-how” to conduct continuing education programs, universities have people more suitably trained to lead such seminars. A major drawback to increased faculty participation in continuing professional education is the typical university reward system that usually places relatively low esteem (*except* in terms of remuneration) on participation in such programs.

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## Financial Support for Accounting Education

Also discussed was financial support of accounting education; it was concluded that “What the profession needs to do is to send more money, not more words.” It was noted that in relation to the number of employees it seeks, the accounting profession underfinances the educational process. Educators were not unappreciative of the support the accounting profession has provided, but generally felt that the accounting profession has gotten by on a “least-cost” basis. Several recommendations were made for helping the present situation.

1. Encourage support by the AICPA, FEI, and NAA of programs of schools of accounting.
2. Use the lobbying capability of the accounting profession to encourage subsidy of existing accounting programs (and/or the establishment of professional schools of accounting). It was noted that some states, through actions of Boards of Accountancy and/or Boards of Regents, have established accounting curricular requirements. Legislators have not always been so quick to provide funds to support such programs adequately.
3. Urge firms to support accounting research activities at universities as well as at the FASB. It was felt that more basic accounting research needs to be done to support the necessary applied research that the FASB will also need.

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## Future Topics for a Similar Seminar

Participants were asked what topics should be discussed at future meetings of this kind; the following were suggested:



1. The role of universities in continuing education for professional accountants.
2. Financial support by the accounting profession for accounting education.
3. The goals of accounting education.

A strong plea was made that practitioners be included in future meetings. It was claimed that practitioner participants should be able to shed some light on the goals of accounting education. Educators frequently receive conflicting points of view, both within and among firms, about what type of education the accounting profession wants. Broad participation from the profession would be helpful in similar meetings—if only to clarify the extent to which multiple, and possibly conflicting, goals exist within the profession.

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## ***Horizons Study and CEER Report***

A management science professor observed that the common body of knowledge simply prepares the accountant to be a *user* of other disciplines rather than a practitioner of those disciplines. Extending the accountant's knowledge in other areas does not make him a specialist in those areas. This extension is not the purpose of the common body of knowledge. The management science requirement may allow him to determine whether linear programming should be applied but will not give him the knowledge to apply it. Similarly, one who takes an introductory accounting course may be able to read financial statements but may be unable to prepare them. From this point of view, it seems clear that a common body of knowledge that would distinguish specialists in accounting and several other areas would outreach any of the present concepts of a common body of knowledge as delineated in the Beamer report or in *Horizons for a Profession*.

A discussion arose concerning the Beamer report. There was a noticeable lack of response to the moderator's question, "How many feel that five years, or an additional year beyond the baccalaureate, is necessary?"

The Beamer report recommendations raised a question of just what the additional year involves. If the fifth year is at the graduate level, some participants thought that about only one-third of the students in accounting could qualify for a graduate program. Other participants expressed approval of the idea that only students capable of being admitted to graduate study should be admitted to the study of accounting.

That exchange typified the divided opinion of the participants regarding whether a graduate program or some other kind of arrangement was called for by the Beamer report.

It was observed that "Beamer solved the problem by merely saying it wasn't his problem." But also it was pointed out that the Beamer report could be interpreted as calling for one year of study beyond the baccalaureate degree; thus, if one accepted the less-time-more-options theme of the Carnegie Commission report and developed a three-year degree program, the Beamer recommendation would still be for one more year, or four years of study.

One observer contended that the graduate admissions problem that would be created by adopting a fifth year would also create supply problems for the accounting profession. At this point the moderator asked whether we really needed the fifth (or additional) year, or whether "we just talked ourselves into it." Again, there was no strong show of support for the need for a five-year program from the individual participants or from those representing institutions capable of mounting an expanded program. None of the seminar groups seemed to be aware of the standing committee on accounting education interpretation of the Beamer report recommendations as being concerned primarily with coverage of the content of the common body of knowledge for the profession rather than with the time period in which that knowledge might be acquired.

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## **Improving Communication Between Schools and the Accounting Profession**

The consensus was that a good means of improving communication channels was the further development of, and the increased participation in, faculty-professional *internships*. These relationships should foster mutual enrichment.

Pragmatic businessmen would enrich themselves by conducting academic work, and professors would benefit from "on-line" experience in the business world.

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## **Objectives of an Accounting Program**

Currently, most accounting programs do not have stated objectives and no procedure is established to evaluate efforts to achieve them. There is a need to establish a standard that a college graduate in accounting can strive to achieve. If such a standard existed, courses could be structured with a goal orientation rather than on a course-by-course basis, and an accounting program would have a basis on which to evaluate their efforts. Such a standard would facilitate the initiation of changes in accounting programs, since change is required in the accounting profession to meet the changing needs of society. The present objectives, which are financial accounting oriented, were established

in the 1950s. A system should be established to update our objectives quickly to avoid any diminution of our professional status.

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It was suggested that many accounting programs are too specialized in financial accounting and that too many courses have a goal of enabling the student to pass the CPA exam. While it was agreed that passing the CPA exam is desirable, it was emphasized that the CPA exam only examines a subset of the total subject matter and therefore is only one of many goals. The CPA exam has tended to assume too much importance because comparative performance is easily quantifiable.

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## **Professional Education as a Continuum**

Several people expressed the view that too much emphasis was being placed on the question of what institutions should provide accounting education. A suggestion was made that all education including accounting education should be viewed as a continuum. More emphasis should be placed on determining the needs of people at various points on the continuum and how these needs can best be met. Those urging this viewpoint made two subsidiary points:

1. Universities should not attempt to provide the practical sort of education which is best done on the job by the organized profession.
2. Continuing education of practitioners may, in many instances, be better performed by the university than by the firm.

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## **Professional Schools of Accounting**

Considerable diversity of opinion existed about the desirability of separate professional schools for preparing people to enter the accounting profession. The following points of view were expressed:

1. A few professional schools of accountancy might well serve a "lighthouse" function. Presumably, these professional schools would set standards of excellence which other programs of accounting at all levels might emulate.
2. People should be able to enter the accounting profession by routes other than a professional school of accounting. In this regard, medicine and law are not good examples for the accounting profession to follow. Alternate methods of entry to the accounting profession are desirable and will certainly be necessary in the future.
3. People from smaller schools particularly expressed concern that pro-

professional schools of accountancy might lead to a first- and second-class professional problem. Noting that the majority of accountants they graduate serve their local business community, they also noted that many go on to enter the public practice of accounting. They were concerned about the status implications that professional schools might have for their institutions.

4. Several models of a professional school of accounting were discussed.
  - (a) The Chicago model, with a professional school of accounting within a school of management.
  - (b) A free-standing model, similar to existing schools of management—medicine and law.
  - (c) A mixed model, where the school of professional accountancy would exist in conjunction with, and as part of, a school of management. The mixed model might also be described as a joint model: the director/dean of the accountancy school would have equal budget and academic status with the dean of the management school. This model was suggested because of the belief that faculty and students of the two schools should not be separated and that valuable educational benefits are to be derived from joint interaction.
5. Some participants expressed the viewpoint that professional schools of accountancy are undesirable. For a profession that is seeking to expand its scope and breadth, professional schools may tend to produce narrower, not broader, professionals. These people would argue that the same benefits claimed for a professional school of accountancy can be gained by strengthening accounting programs within existing schools of management.
6. The single most dominant point of view was that professional schools of accountancy are desirable for the leadership example they can provide, but that other educational avenues of entrance to the profession of accountancy must also be kept open.
7. Nearly everyone agreed that the discussion of the desirability of professional schools of accountancy was largely academic. The real question is financial. If money is made available for professional schools of accountancy, we will have such schools in the future. If money is not made available, we will not. Considerable doubt was expressed about whether the profession had thought long and hard about the costs of professional education.

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## Role of the Two-Year Colleges

There was general agreement that the mission of two-year schools was not properly understood by their students. This is especially evident when graduates of two-year schools find that credit for some (or

all) of their accounting courses is not accepted when they transfer to a four-year school. Although this difficulty often results from changes in career aspirations of students in two-year schools, a substantial part of the problem is caused by inadequate lines of communication between the two types of institutions.

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## Status of Accounting

Another question raised had to do with what accounting educators could do to raise the status of accounting within the existing structure of business schools. The overwhelming opinion was to make accounting, particularly at the basic level, more relevant to the rest of the business curriculum. The social orientation of accounting was discussed in this context. The feeling was expressed by some, and agreed upon by others, that the social implications of accounting should be discussed early in the accounting curriculum. This is where the material would reach the largest number of students — accounting majors and nonaccounting majors. This material would be supportive of upper-level accounting courses for those who choose to major in accounting.

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Another speaker, a management faculty member at his school, stated that it was his belief that the low status of accounting within business schools was attributable to the fact that the accountancy departments were perceived by others as simply a “training ground” for the large CPA firms: he supported his view of this low status with the observation that recent Ph.D. graduates in accounting had no desire to continue to teach a traditional accounting program. A variety of comments were made to these observations. One asked whether the purpose of the curriculum was to serve the students or the new Ph.D.s. Another questioned whether it was undesirable that the departments did, in fact, serve as training grounds for the accounting firms; perhaps other departments were “jealous.” The rebuttal was made that education had a broader goal — educating the “whole person” and that vocational preparation was secondary. In response to this, the statement was made that all education is vocational, and accountants shouldn’t worry about presenting a negative image. A rebuttal to the “CPA training ground” hypothesis was offered by another advisor who said that only one-third of the undergraduates of his accounting program entered public accounting. He concluded that misconceptions existed about accounting and that these misconceptions resulted in a negative image.

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Several references were made to the period of twenty or more years ago when a student could take 50 to 75 hours of accounting. Now, such

a concentration is either highly unusual or virtually impossible. At one school represented, the maximum number of all business hours which may be used as degree qualifications is 75. But this change has not been confined to accounting. In the past, a student could also concentrate heavily in Marketing or Real Estate and Insurance. Indeed, business schools then were characterized by a proliferation of specialized courses in many fields. Thus, if accounting has been de-emphasized as a specialized field of study, so have the other specialties of the business schools.

One set of comments placed the AACSB and AICPA in conflicting roles. "The AACSB has been instrumental in introducing to the business curriculum a common set of requirements that all students must complete. I believe that the core of the issue here is that the AICPA from the very beginning has not been in agreement with this notion, and that we are seeing once again a resurgence of the belief on the part of accountants that they ought to have a special program for them alone. This was exactly the same point they made twenty-odd years ago when the issue of the common body of knowledge that would apply to everyone first came up. The accountants said then, and the tenor of their remarks seems to be now, 'we're different.' They seem to be saying that there is something so sufficiently different about accounting that the program for accounting ought to be different from that for marketing majors, finance majors, or personnel majors."

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